

VZCZCXR05268

PP RUEHAG RUEHGA RUEHHA RUEHMT RUEHQU RUEHROV RUEHSR RUEHVC

DE RUEHOT #1552/01 3472140

ZNY CCCCC ZZH

P 122140Z DEC 08

FM AMEMBASSY OTTAWA

TO RUEHC/SECSTATE WASHDC PRIORITY 8855

INFO RUCNCCAN/ALL CANADIAN POSTS COLLECTIVE PRIORITY

RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY

RUEHAD/AMEMBASSY ABU DHABI PRIORITY 0081

RUEHAS/AMEMBASSY ALGIERS PRIORITY 0368

RUEHAM/AMEMBASSY AMMAN PRIORITY 0085

RUEHAK/AMEMBASSY ANKARA PRIORITY 0171

RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0091

RUEHLB/AMEMBASSY BEIRUT PRIORITY 0218

RUEHEG/AMEMBASSY CAIRO PRIORITY 0104

RUEHDM/AMEMBASSY DAMASCUS PRIORITY 0240

RUEHDO/AMEMBASSY DOHA PRIORITY 0151

RUEHBUL/AMEMBASSY KABUL PRIORITY 0235

RUEHKU/AMEMBASSY KUWAIT PRIORITY 0362

RUEHMK/AMEMBASSY MANAMA PRIORITY 0152

RUEHMS/AMEMBASSY MUSCAT PRIORITY 0014

RUEHRB/AMEMBASSY RABAT PRIORITY 0372

RUEHRH/AMEMBASSY RIYADH PRIORITY 0256

RUEHYN/AMEMBASSY SANAA PRIORITY 0023

RUEHTV/AMEMBASSY TEL AVIV PRIORITY 1474

RUEHTRO/AMEMBASSY TRIPOLI PRIORITY 0008

RUEHDE/AMCONSUL DUBAI PRIORITY 0028

RUEHJM/AMCONSUL JERUSALEM PRIORITY 0509

RUCNDT/USMISSION USUN NEW YORK PRIORITY 0502

C O N F I D E N T I A L SECTION 01 OF 11 OTTAWA 001552

SIPDIS

E.O. 12958: DECL: 12/12/2018

TAGS: [PREL](#) [EUN](#) [UN](#) [XG](#) [XF](#) [IR](#) [CA](#)

SUBJECT: US-EU-CANADA TRILATERAL MEETINGS ON IRAN AND US-EU  
MIDDLE EAST TROIKA MEETINGS IN OTTAWA, DECEMBER 8

OTTAWA 00001552 001.2 OF 011

Classified By: PolMinCouns Scott Bellard, reasons 1.4 (b) and (d)

¶11. (C) Summary: On December 8, the United States, European Union, and Canada held their regularly scheduled trilateral discussion on Iran at the Canadian Department of Foreign Affairs and International Trade (DFAIT) in Ottawa. Later in the day, U.S. and EU representatives met at the French Embassy in Ottawa to hold their regular bilateral exchanges on all other Middle East issues. On Iran, there was a consensus that the international community needed to do more to increase the pressure on Iran to change its negative regional policies, to curb its support for terrorism, to counter its nuclear program, and to improve its dismal human rights record. Participants highlighted the need for more regular, close U.S.-EU-Canada coordination in all of these areas. The bilateral U.S.-EU talks that followed covered Iraq, Syria/Lebanon, the Israeli-Palestinian peace process, and the EU's new Union for the Mediterranean (UfM). The U.S. welcomed the EU's efforts with the UfM, and its growing unity and positive engagement on Iraq. But the U.S. delegation cautioned the EU against freelance intervention on Israeli-Palestinian final status issues and urged the EU to condition any further engagement with Syria on concrete improvements in Syrian behavior. End Summary.

IRAN'S REGIONAL ROLE AND SUPPORT FOR TERRORISM

-----

¶12. (C) NEA Iran Office Director Schwartz began the trilateral Iran discussion at DFAIT by noting that, while there might be some changes in U.S. Iran policy under the new administration, particularly in terms of the specific carrots and sticks used, core U.S. interests would not change. These included the nuclear issue, Iran's support for terrorism and its regional ambitions, and its poor human rights record.

Iran's regional ambitions were a threat to the stability that we needed to address with regional partners, such as the Gulf Cooperation Council (GCC) 3 (Egypt, Jordan, Iraq). Iran's support for terrorist groups, including Hamas, Hizballah, and Palestinian Islamic Jihad, jeopardized all our regional goals. Syria continued to play a key role facilitating Iranian assistance to these groups. Iran was still training and arming Shia militias in Iraq. It also appeared that some elements in Iran were arming the Taliban to fight the international coalition in Afghanistan.

¶3. (C) The GCC 3 and other regional partners often expressed concern about such Iranian actions to us in private, but most were reluctant to stand up to Iran directly or in public; thus the Iranians felt little pressure to change anything. The international community needed to recognize that Iran's problematic behavior extended far beyond its nuclear program and to do more to hold the Iranians accountable in public. Greater Arab engagement with Iraq, evidenced by the opening of additional embassies and the appointment of ambassadors, was helping to counter Iranian influence in Iraq, but the momentum needed to be sustained via still greater engagement in the form of additional trade and exchanges of all kinds. The U.S. was planning an informal P5 1/GCC 3 meeting in New York for December 16 to raise many of these issues with Iran's neighbors. They might never be willing to confront Iran in public, but they could still send subtle signals that Tehran would notice, such as shifting their votes on Iran-related resolutions in the UN.

¶4. (C) DFAIT Director General for Middle East and Maghreb Relations Buck agreed that Iran often played a spoiler role

OTTAWA 00001552 002.2 OF 011

in the region. Some elements in Iran were aiding the Taliban just enough to be an irritant and were also supporting political rivals to Afghan President Karzai (a move she termed "the anti-Karzai squeeze play"); this would need to be watched closely as Afghan presidential elections approached. While Iran and the international community seemed to have some common interests regarding Afghanistan, including border control and counter-narcotics efforts, it was difficult to judge whether cooperation with Iran was possible. Buck also wondered what effect the declining price of oil might have on Iran and its regional ambitions. She asked for any specific information the United States or the EU had on how much money Iran provided to its regional proxies. In response to these questions, Schwartz suggested that since most Afghan drugs ended up in Europe, the EU might want to take on a greater role in that area. He doubted whether lower oil prices would change Iranian behavior much; Tehran would subject its people to significant deprivation before it would shift resources away from its external ambitions. Still, the international community needed to do all it could to maintain the sanctions and economic pressure on the regime, which might encourage Iran's neighbors to speak up more. Schwartz said he would try to follow up with the Canadians to provide more detailed information on Iranian support to Hizballah, Hamas, and other proxies.

¶5. (C) French MFA Deputy Director for North Africa and the Middle East Loiseau noted that the December 14 Afghan neighbors' conference in Paris would include Iran; Foreign Minister Mottaki was expected to attend. This might offer an opportunity to see if Iran had anything constructive to offer. Iran was currently in the strongest regional position it had ever had, thanks to the elimination of hostile regimes on its eastern and western borders. Loiseau agreed that Iran's neighbors were all alarmed by its actions, but afraid to stand up to it. Loiseau and EU Council Secretariat Middle East specialist Hove noted that Iran's neighbors were particularly weak in public, as evidenced by their constant invitations to Iranian leaders to visit their countries. Still, there were limits to Iran's regional influence. Loiseau and Schwartz agreed that Hizballah and others saw

themselves as nationalists, had their own agendas, and were not simply puppets. Loiseau also noted that instability was not always in Iran's interest. Total chaos in either Iraq or Qnot always in Iran's interest. Total chaos in either Iraq or Afghanistan would not serve Iran well. Moreover, progress on any of the regional peace tracks in the Middle East (Israel-Palestinians, Israel-Syria, Israel-Lebanon) would lessen Iran's influence. Iran could not arm and support its proxies effectively without Syrian cooperation, which was one reason why the EU was trying to separate Damascus from Tehran as much as possible.

¶16. (C) Both Schwartz and DFAIT Deputy Director (Iran/Iraq) of the Gulf and Maghreb Division McLaren emphasized that, while there are a variety of power centers in Iran, we should not exaggerate the independence of any of them from Supreme Leader Khamenei. Otherwise, we would play Tehran's game by allowing the regime to wash its hands of responsibility for its actions. McLaren felt that Iran sought to maintain ties with all elements in all countries in the region so as to be able to retain its influence no matter who came out on top in a particular place. Hove added that Tehran seemed to favor "divide-and-conquer" tactics across the board. The Iranians were currently engaged in a campaign of visits to individual EU Member States while giving the EU itself the cold shoulder.

#### IRAN'S NUCLEAR ACTIVITIES

OTTAWA 00001552 003.2 OF 011

-----

¶17. (C) Loiseau opened the discussion of the Iranian nuclear program by summarizing the recent history of UN and IAEA engagement on the issue, commenting that the IAEA estimated Iran now had at least 45 percent of the enriched uranium that it needed for a nuclear weapon, at a time when Russia and China were opposing additional UNSC sanctions. On the other hand, Iran's weakening economy could give existing sanctions more bite, provoking greater internal debate on Iran's methods, if not its objectives. In this situation, the EU looked to the new U.S. administration to provide a policy direction. Internally, the EU had implemented all existing UNSCRs in a robust manner and had developed an independent EU designation list, implemented an embargo on sales of weapons and dual-use items, and banned any financial assistance to Iranian organizations involved in proliferation activities. The EU had recently decided to add more names to its autonomous designation list and was presently considering which individuals and organizations to add. European governments were also talking with their businesses about limiting engagement with Iran. Some EU Member States, including France, were also working with the United States and others to consider what national measures might be implemented to place additional pressure on Iran. However, such measures were controversial within the EU and not all Member States supported them. Looking towards the new U.S. administration, Loiseau said the EU supported greater U.S. involvement in both the sanctions and negotiations tracks. U.S. dialogue with Iran could be useful, but it would have to be timed and calibrated very carefully, and closely coordinated with the EU. Finally, Iran's neighbors and others had to do a great deal more to implement existing sanctions UNSCRs.

¶18. (C) Schwartz stressed that the U.S. remained committed to the P5 1 process, even if no new UNSC sanctions were likely in the near future. We welcomed all of the EU's autonomous steps to increase the pressure on Iran and considered additional EU designations to be vital. This, along with the national measures campaign and efforts to move East Asian countries to do more, was intended to show Iran that it did not have a "free pass" even at times when new UNSC action was not forthcoming. Schwartz asked the EU to help us press third countries to implement the Iran UNSCRs effectively, including persuading China, the UAE, and South Korea including persuading China, the UAE, and South Korea

vigorously to implement UNSCR 1803's inspection provisions on Iranian shippers. Unanimous UNSCRs had a big impact, but smaller steps could have an effect too. The national measures campaign encouraged each country to do what it could within its domestic legal system. Both political and economic pressures were necessary. Neither would be sufficient on its own. Over time, the goal must be not merely to prevent Iran from acquiring a nuclear weapon, but to stop Iran from wanting to obtain one.

¶9. (C) McLaren said that Canadian laws made it easier to take some steps vis-a-vis Iran and tougher to take others. Some of the things that Canada had done could serve as models for others. The Canadian government had asked the national export credit agency to shut down export finance for Iran and advised Canadian banks to cut ties with Iran, both of which had produced results. DFAIT Deputy Director for Non-Proliferation Caza specified that passing Financial Action Task Force (FATF) decisions on Iran to Canadian banks had gone a long way to reducing their business with Iran. Unfortunately, said McLaren, Canada's legal system made it

OTTAWA 00001552 004.2 OF 011

difficult to implement formal autonomous sanctions on any country without formal cabinet approval, which was an unwieldy process. Sanctions were much easier for Canada to implement when some multilateral organization of which Canada was a member called for such sanctions. European Commission representative Hostrup said informal sanctions could be effective alongside formal ones. He noted that most large European banks had gotten the message and pulled back from Iran, which was being felt in Tehran. But there were many loopholes to be closed in Russia, China, the Persian Gulf states, and elsewhere.

¶10. (C) Caza noted that IAEA reports on Iran seemed to be shortening the timeline by which Iran might have all it needed for a nuclear weapon. This "point of no return" raised the specter that someone might opt for a "military solution" to the problem. Canada was not advocating a military option, but with late 2009 now the likely timeline for Iran to have material for a nuclear weapon, "someone" might act to try to stop it. The more their nuclear technology progressed, the more emboldened the Iranians became, making it ever harder to persuade them to suspend their activities. The international community needed to do more to slow Iran's progress, and to maintain the UNSC track to show the unity of the world in opposing Iran's actions. We also needed to do more in the IAEA to demand full transparency and accountability from Iran and to counter Iran's broken-record argument that it is complying with all its IAEA obligations. Perhaps if voters in Iran elected a new president in 2009, that president would take on board the message that the world was not against Iran having a nuclear program, but rather against the kind of nuclear program Iran was developing.

¶11. (C) Loiseau said there was no military solution to Iran's nuclear program; any military response would be a catastrophe that would, at most, delay the nuclear program, not stop it. She also said bluntly that Iran did not want a civilian nuclear program; it wanted a nuclear weapon. She doubted whether a new president would change anything significant about the nuclear program. Loiseau believed more public diplomacy was necessary to spread awareness of the P5 1 offer to Iran amongst the Iranian populace and show that the international community was not threatening Iran. The EU also needed to bring more Iranians to Europe so that they could be exposed to arguments and ideas that they would never hear at home. In this vein, Hove described an outreach program that the EU was developing, including visits, seminars, and translating programs and information into Farsi. She described a recent program that brought 15 Iranian journalists (some of which were clearly not journalists but rather regime "handlers" for the others) to

Brussels to meet HR Solana and be exposed to international views on Iran's nuclear program. The EU regarded this effort as a success, but Hove noted at the same time that the Iranian regime had effectively killed a planned December 8-9 EU-Iran seminar in Tehran by refusing to grant visas to any of the EU officials slated to attend it. Schwartz noted that the USG faced similar challenges in its outreach efforts to the Iranian people, and agreed on the need to expand awareness of the P5 1 package in Iran. Schwartz said that Iran likely sought to produce a fait accompli with its nuclear program; Tehran likely thought that the entire sanctions regime would then collapse. For this reason, it was necessary to show resolve on all fronts.

POLITICAL SITUATION AND HUMAN RIGHTS IN IRAN

OTTAWA 00001552 005.2 OF 011

---

¶12. (C) Buck opened this portion of the meeting with a discussion of possible scenarios for the 2009 Iranian presidential elections and the question of whether it really mattered who won. Factors favoring the reelection of President Ahmadinejad included public support of him by Supreme Leader Khamenei, solid support by a significant segment of the public, Ahmadinejad's willingness to engage in populist government spending, and the possibility that a candidacy by ex-President Khatami might cause all conservative factions to rally around Ahmadinejad. Factors working against Ahmadinejad included his alienation of much of the clergy, the elite, and the business class, his terrible management of the economy, and his loss of support in the provinces due to inflation and poor government management. Viable challengers to Ahmadinejad included Khatami, ex-nuclear negotiator (and current Majlis Speaker) Larijani, and Tehran mayor Ghalibaf, among others. However, the Canadians felt that no matter who won the election, there would be little real change, save perhaps in tone.

¶13. (C) On the human rights front, Buck said there had been no improvements in 2008. Executions seemed to be down slightly, although this might merely be a result of greater censorship. Amputation sentences remained common, and persecution of religious minorities and human rights activists had increased. Leaders of the Baha'i community remained imprisoned. In an effort to improve its image, the regime had instituted a ban on juvenile executions, but had included an exception for murder cases, which were precisely the type of case involving almost all those minors who were executed. Iran had been surprised at the extent of its defeat on the Canadian-sponsored human rights resolution in the UNGA Third Committee, and had been very severe in its retaliation against Canada. The Iranian MFA was under pressure due to the failure of its diplomacy against the resolution and was threatening to expel a number of Canadian diplomats from Tehran. The Iranian press had also been very severe on Canada. Buck joked that, as a result, Canada was very anxious for the United States to open an office in Tehran so that Canada would not have to absorb the full brunt of Iranian ire alone. While the annual UNGA resolutions were important, it was also crucial to try to advance the human rights situation in Iran the rest of the year via other means. The U.S., EU, and Canada needed to coordinate quietly behind the scenes, sharing information and coordinating messages, in order to maximize their impact.

¶14. (C) Schwartz congratulated the Canadians on the success of the Iran resolution in the third committee and commented that the plenary UNGA vote on it might come as early as December 12. The sharp Iranian reaction showed just how big an impact the annual resolution had. Schwartz noted that the USG wondered whether there might be some sort of crackdown in Iran prior to the presidential elections or whether the regime might resort to electoral fraud to ensure the desired outcome. The Iranian elections were worth watching, but they

should not be allowed to affect our policy decisions, and, in any case, some presently-unknown candidate could emerge out of obscurity to win them as Ahmadinejad had done in 2005. The election might offer some insights into where the Iranian people wanted to go. They would also likely show whether Khamenei had come to regard Ahmadinejad as a liability or an asset. A comprehensive public diplomacy campaign, using all means available, was necessary to get our views to the Iranian public. U.S.-EU-Canada coordination would be useful,

OTTAWA 00001552 006.2 OF 011

but it must indeed be quiet in order to avoid fueling the paranoia of the Iranian regime.

¶15. (C) Loiseau agreed that the Iranian presidential election would change little; the conservatives were clearly ascendant, although economic problems were causing Ahmadinejad some difficulty. There were no easy answers about concrete steps to improve the human rights situation, but more effective public diplomacy was definitely necessary.

Hove noted that Iran had broken off its bilateral human rights dialogue with the EU in 2004 and had more recently refused to accept EU demarches in Tehran on human rights issues. The EU had thus sometimes been forced to summon Iranian ambassadors in European capitals to receive its demarches. If necessary, this practice would continue under the Czech Presidency, with EU demarches delivered to the Iranian ambassador in Prague. Hove noted that while Iran's candidacy for a seat in the UN Human Rights Council was ridiculous on the one hand, on the other hand it might serve as a pretext that Iran would find hard to refuse for the EU to engage Tehran on human rights issues. Loiseau noted that part of the current Iranian "charm offensive" going on in European capitals included offers to discuss human rights with individual countries rather than with the EU as a whole.

She said that the Iranians did care about their image and that EU statements on their human rights record did have an impact. Hostrup commented that the European Commission regarded the human right situation in Iran as being as bad as or worse than in recent years. The Commission was trying to carry out as much public diplomacy and as many exchanges with Iran as it could, but the environment was very difficult.

IRAQ

----

¶16. (C) Schwartz opened the bilateral U.S.-EU discussions at the French Embassy by describing the major issues facing Iraq in the coming months. He informed the EU that preparations for the January 31 provincial elections in Iraq were proceeding well. Iraqi electoral authorities were planning for a massive international and domestic election monitoring mission, and security preparations were ongoing. Because many provincial governments had been ineffective at using government funds up to this point, the USG hoped that the new elections might result in more effective provincial governance. The U.S.-Iraq Strategic Framework agreement (which included the Status of Forces Agreement--SOFA) had been approved by the Iraqi legislature and the Presidency Council; now only a July 2009 referendum on the agreement remained pending. The referendum would not prevent the agreement from taking effect January 1, and Iraqi SOFAs with other countries based on ours could now be negotiated. Schwartz expected that the referendum vote would be positive as long as the SOFA had been effectively implemented up to the time the vote took place; one concern was that Iran might try to provoke some sort of violent incident involving U.S. forces shortly before the referendum in order to try to produce a "no" vote. On the U.S. side, the SOFA was an executive agreement not subject to Congressional approval. Overall, said Schwartz, the path towards stabilization for Iraq was much clearer now, and we all needed to work to realize that goal. Violence and other serious challenges, including fighting corruption and protection of minorities, would continue for some time, but the Iraqi capacity to deal

with the challenges it faced was also growing. PM Maliki and many of his ministers had grown into their jobs, and the process of handing over security to the GOI on a

OTTAWA 00001552 007.2 OF 011

province-by-province basis had gone well thus far. Although we could not be certain what policy changes might occur when the new U.S. administration took office, Schwartz expected that U.S. troops would be withdrawn gradually as conditions permitted.

¶17. (C) Loiseau said that the EU had come a long way in its Iraq policy. It was now united on Iraq, with a common assessment of the situation and a desire to support USG and GOI efforts. Czech Ambassador Smetanka hoped that the upcoming provincial elections would lead to more Sunni participation in the political process, which could further improve the security situation. The EU did not plan to send election observers, but was providing technical assistance to the Iraqi authorities. The upcoming Czech EU Presidency planned to hold an EU-Iraq political dialogue at the political directors level, while EU-Iraq negotiations on a trade agreement were ongoing. The EU rule of law mission for Iraq (EUJUST LEX) was expanding its activities and hoping to start carrying out some of its training in Iraq (a move Schwartz strongly encouraged). EU Commission Representative Hostrup noted that the kinds of trade and association agreements that the EU was signing with Iraq and other countries in the region could serve as an example to Iran of what it could have if it changed its course. EU Council Secretariat representative Barwinkel commented that EU High Representative Solana wanted to visit Baghdad at some point, but Barwinkel did not know when this might occur, while Loiseau stated that French FM Kouchner was likely to make another trip to Iraq in the coming months.

#### ISRAELI-PALESTINIAN PEACE

---

¶18. (C) Schwartz said that the USG understood concerns in the international community regarding the possibility of stagnation in Israeli-Palestinian peace efforts during the transition from one U.S. administration to another. However, there was a bipartisan consensus in the United States supporting the peace process, and both the outgoing and incoming administrations were committed to a smooth transition. The approach agreed on at Annapolis--determined, professional negotiations, sustained support from the international community, and improvements on the ground--remained the best way forward. It was crucial that the talks remain confidential and bilateral, and that the international community maintain its Quartet commitment not to intervene in the negotiations in ways that would force the Qto intervene in the negotiations in ways that would force the two parties to react in public. Schwartz stressed that developments in the Israeli-Palestinian talks invariably affected everything else in the region, and he noted USG appreciation for ongoing EU financial support for the Palestinian Authority.

¶19. (C) Barwinkel agreed with Schwartz's points and welcomed his comments on U.S. plans for a smooth transition. He noted that 2009 would also witness Israeli and Palestinian political transitions that could produce upheavals. If polls were accurate, Israel could have a new government that would make the situation for the next U.S. administration more difficult. Schwartz agreed, noting that this was one reason why the USG stressed continuity in the Annapolis process to all parties and the importance of preserving momentum. Barwinkel commented that Annapolis had produced a year of relative calm, and (hopefully) some progress in the confidential talks; he hoped that this would not turn out to be the calm before the storm. The EU was concerned about the

OTTAWA 00001552 008.2 OF 011

end of President Abbas's term and did not want to see any developments that might reduce his status. Much had to be done to strengthen the Palestinian side in order for a two-state solution to be viable, and we all needed to remind the Israelis of this. It would be disastrous for everyone if the possibility of a two-state solution were to be lost, although some on the Israeli right did not seem to understand this. The long-term sustainability of international assistance to the Palestinians was also an issue that had to be faced. The international community had to be ready for all possible scenarios in 2009 in order to be able to shape events rather than allow others to do so.

¶20. (C) Schwartz agreed on the need for considering all scenarios, but stressed that we should not telegraph our concerns or we might produce the very developments that we feared. The status quo could not go on forever, nor could the negotiations, and the parties had to understand that. The Israeli election would be crucial, and we should all be clear in our expectations of what we expected any Israeli government that might be elected to do. The December 15 Quartet meeting in New York was intended in part to demonstrate continuity from one U.S. administration to another and reiterate the U.S. commitment to the Annapolis process going forward.

¶21. (C) Loiseau expressed concern that not everyone was weary of violence and the status quo; she highlighted the need to improve the situation on the ground even as talks were ongoing. The EU was particularly concerned about Israeli settlement activity, checkpoints, and blocking of movement of people and goods. The EU was doing a great deal to help developments on the ground, including hosting the December 2007 Paris donors conference and training Palestinian security forces, but no real development in the Palestinian territories would be possible as long as Israeli choked off movement and discouraged investors. The EU was weary of being merely the "checkbook" for the peace process and was actively studying ways to become more involved to show that results could be achieved on the ground. The current situation in Gaza and the division among the Palestinians were also very serious problems. Hostrup added that the Israeli blockade of Gaza was making it very difficult for the EU to deliver assistance there, while Loiseau said the EU supported Egyptian efforts to mediate between the Palestinian factions and hoped other Arab states would join this effort.

¶22. (C) Schwartz agreed that the situation on the ground was a problem and that it bred radicalism, something the USG regularly told the Israelis. Hove feared that the construction of the security barrier had given Israelis a false sense of security that blinded them to the fact that it was not a long-term solution. Hove and Loiseau both noted that, of late, the Israelis seemed to be giving more attention to the Arab Peace Initiative and suggested that the new U.S. administration might show more interest in it as well. Schwartz said that the USG supported the basic ideas in the Arab Peace Initiative, but preferred to keep the focus on the Annapolis process.

#### LEBANON AND SYRIA

---

¶23. (C) On Lebanon, Loiseau highlighted what she described as the many positive developments during 2008, including the election of President Sleiman, the establishment of a

OTTAWA 00001552 009.2 OF 011

functioning government, the effective functioning of the Lebanese Armed Forces (LAF), and the establishment of a national dialogue that would consider the issue of Hizballah's arms. Hizballah would not give up its weapons any time soon, but the international community could help to

pressure it by removing the pretexts Hizballah used to justify retaining them. This included pressuring Israel to move on Shebaa Farms and Ghajar. The French were relieved that Hizballah had not targeted UNIFIL up to this point, and they credited Syria with a role in all of the positive developments in Lebanon. Elements in the Palestinian refugee camps could also threaten UNIFIL, but everyone in Lebanon now seemed aware of the threat of these camps to the Lebanese state, and everyone was determined to prevent another Nahr al-Bared.

¶24. (C) Hostrup said the European Commission was also pleased that parliament and government were functioning in Lebanon and that Lebanon-Syria relations had improved. The upcoming Lebanese parliamentary elections were now the focus of most political activity in the country, and the EC had allocated 3 million euros for the elections and electoral reform issues. Another 2 million euros were in the pipeline.

The EU also planned to send a robust observer mission to Lebanon for the elections. Hostrup also noted that the EU was the single largest donor to the effort to reconstruct Nahr al-Bared and asked what the USG might do or was doing to help rebuild the camp. Schwartz said he would get back to the EU with details on our assistance to reconstructing Nahr al-Bared. More broadly, the USG was working with the LAF to increase its capacity to maintain security throughout Lebanon, which would eliminate another of Hizballah's pretexts for its weapons. We were making similar efforts with all other parts of the Lebanese state. Schwartz agreed that the 2009 parliamentary elections were crucial, and Hizballah's arms and the Syria-Hizballah relationship would be big issues in the elections. He doubted that Hizballah would see it as being in its interest to target UNIFIL and hoped it would not do so, not even as a proxy for Iran. The EU agreed emphatically on the importance of strengthening the Lebanese state rather than taking sides in Lebanese politics.

¶25. (C) On Syria, Loiseau said the EU had decided to resume dialogue with Damascus because of a number of "interesting signals" it had received, including the positive developments in Lebanon she had described, hints that the Syrian government (SARG) wanted out of its isolation, and the start of Syria-Israel negotiations with Turkish mediation. These developments had led the EU to "test the waters" with Damascus, inviting President Assad to the Union for the Mediterranean summit in July, an invitation that Assad had accepted immediately. The EU had its "eyes wide open" and "knew what it was doing" with Syria, and the agenda included Lebanon, Iraq, non-proliferation, and human rights. The EU was still pushing for more progress in all of these areas, including exchange of ambassadors with Lebanon by the end of the year, demarcation of the border with Lebanon, movement in Lebanon-Syria security talks, and progress on Lebanese prisoners/disappeared persons in Syria, although this last subject was a very difficult one. Loiseau stressed that all of the EU's actions were intended to strengthen the hand of those in the SARG seeking better relations with the west. In order to give Assad some incentives, the EU had updated the EU-Syria association agreement and it was ready to be initialed on December 14. Damascus was very enthusiastic about progress on the agreement, but the EU was determined to use it as leverage. The agreement was very similar to those

OTTAWA 00001552 010.2 OF 011

that the EU had with other states in the region, and included provisions to discuss human rights, terrorism, and non-proliferation. The French doubted that Syria could be induced to abandon Iran entirely, but its position could be shifted and it could be used to send messages to Tehran. Hostrup seconded Loiseau's comments and added that the EU was also stressing to Syria that it must fulfill its obligations with the IAEA.

¶26. (C) Schwartz agreed that Syria had a role to play in the stabilization of Lebanon and said that the U.S. welcomed

Syria-Israel contacts as long as they did not damage the Israeli-Palestinian track. The USG was more skeptical of SARG intentions than the EU, and did not think that a SARG promise to assign an ambassador to Beirut was worth the EU moving on the association agreement. Something as important as that agreement should have more concrete benchmarks, such as full Syrian compliance with relevant UNSCRs, cutting support for terrorist groups, stopping the flow of foreign fighters to Iraq, full cooperation with the IAEA, and border demarcation with Lebanon. Robust EU engagement with the SARG absent such policy changes would reward the SARG unnecessarily and undermine the democratic forces in Lebanon.

We understood what the EU was trying to do with Syria, and it was clear that the EU understood the risks, but we still disagreed with the EU's decision. There had been hopes for change in SARG policies previously, as when President Assad took office, but these had been disappointed. Schwartz doubted that U.S. policy on Syria would change significantly when the new U.S. administration took office. Loiseau replied that the EU was constantly reviewing the situation with Syria and insisted that Syria had "lost a lot of ground" in Lebanon in recent years. Schwartz concluded by reiterating that, while we would love to see a wedge driven between Syria and Iran, we differed with the EU on how much engagement with the SARG was appropriate at this time.

#### UNION FOR THE MEDITERRANEAN

---

¶27. (C) Loiseau explained that the impetus behind the EU's new Union for the Mediterranean (UfM) was the desire to revitalize the previous Barcelona Process for EU engagement with its southern neighbors and to give more ownership of the process to the south. Because Middle Eastern political conflicts had prevented the Barcelona Process from reaching its full potential, the new UfM would focus on concrete development projects, such as fighting the pollution of the Mediterranean, cooperation in education, economic development, and energy sustainability. All of the EU's southern partners were participating fully, except for Libya.

The July summit showed the high level of interest, and the presence of Israeli PM Olmert alongside Arab leaders was particularly important. The November ministerial in Marseille had focused more on institutional issues, such as the establishment of a secretariat in Barcelona. The UfM was still looking for a secretary general, who would come from one of the southern countries. Schwartz said that the United States supported the success of the UfM as a means of addressing regional issues and welcomed the spirit of compromise that its progress thus far had demonstrated. The focus on depoliticized projects was very welcome, and could have a real impact on the region, fostering cooperation in ever-wider areas. The United States looked forward to coordinating closely with the EU as all of our projects in the region went forward.

OTTAWA 00001552 011.2 OF 011

#### NEXT MEETINGS

---

¶28. (U) The incoming Czech EU Presidency has proposed that the next U.S.-EU-Canada trilateral meetings on Iran and the U.S.-EU Middle East troika meetings take place in Brussels May 26-27, 2009.

¶29. (U) Participants:

United States:

Todd Schwartz, Office Director, NEA/IR  
Jeffrey Giauque, Senior Political Officer, EUR/ERA  
Kurt van der Walde, Deputy Political Counselor, Embassy Ottawa

Canada:

Kerry Buck, Director General, Middle East and Maghreb Relations, Canadian DFAIT  
Jeffrey McLaren, Deputy Director, Iran/Iraq, Gulf and Maghreb Division, Canadian DFAIT  
Alistair Wallbaum, Iran Desk Officer, Gulf and Maghreb Relations, Canadian DFAIT  
Jennifer Metayer, Privy Council Office  
Gwyn Kutz, Director, Human Rights, Gender Equality, Health and Population, Canadian DFAIT  
Evelyn Puxley, Director, International Crime and Terrorism, Canadian DFAIT  
Shawn Caza, Deputy Director, Non-Proliferation and Disarmament, Canadian DFAIT

EU Council Secretariat:

Lene Hove, Middle East/Mediterranean Unit  
Wolfgang Barwinkel, Middle East/Mediterranean Unit

EU Commission:

Jesper Hostrup, Middle East Regional Dimension

France:

Nathalie Loiseau, Deputy Director for North Africa and the Middle East, French MFA  
Arnaud Pescheux, Iran Desk Officer, North Africa and Middle East Division, French MFA  
Marie-Anne Courrian, Second Counselor, French Embassy in Ottawa

Czech Republic:

Tomas Smetanka, Ambassador, Middle East Coordinator, Permanent Representation of the Czech Republic to the EU  
Karel Hej, Czech Embassy in Ottawa

MINIMIZE CONSIDERED

Visit Canada's Economy and Environment Forum at  
<http://www.intelink.gov/communities/state/canada>

BREESE